

## Message Text

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PAGE 01 STRASB 00095 110842Z  
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 AID-05 CIAE-00 COME-00 FRB-01  
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PA-02 /077 W  
-----079400 112004Z /46

R 110905Z APR 78  
FM AMCONSUL STRASBOURG  
TO AMEMBASSY PARIS  
INFO SECSTATE WASHDC 1166  
AMCONSUL LYON

UNCLAS STRASBOURG 95

E.O.11652: N/A  
TAGS: FR, EIND, EINV.  
SUBJECT: CLOSURE ANNOUNCED FOR SPERRY RAND REMINGTON SHAVER  
FACTORY NEAR STRASBOURG.

REF: STRASBOURG A-16 AND A-20 (NOT SENT TO LYON)

1. WE WERE INFORMED ON APRIL 5 BY THE MANAGER OF THE REMINGTON SHAVER PLANT LOCATED JUST SOUTH OF STRASBOURG IN THE BAS-RHIN THAT A SERIES OF COORDINATION MEETINGS IN PARIS AND AT THE PREFECTURE IN STRASBOURG HAD ADDRESSED THE QUESTION OF PLANT CLOSURE, AND THAT WORKER REPRESENTATIVES AND LOCAL AUTHORITIES WERE NOW BEING INFORMED OF THE CLOSURE DECISION. THE PRESS WAS INFORMED ON THE FOLLOWING DAY, BUT IT WAS NOT UNTIL APRIL 8 THAT THE FIRST PRESS STORY APPEARED. THE TONE HAS BEEN MILD, STRESSING THAT SPERRY RAND MADE THE DECISION ONLY AFTER LONG CONSIDERATION, CLOSURE IN THE FINAL ANALYSIS BEING DUE TO CONTINUING LOSSES IN FIRST DRYERS AND NOW EVEN IN ELECTRIC SHAVERS, PARTICULARLY BECAUSE OF A DWINDLING MARKET AND COMPETITION FROM EUROPEAN SHAVERS LIKE BRAUN. (EVER HIGHER COSTS, PARTICULARLY WAGES AND FRINGE BENEFITS, ALSO MADE AN IMPORTANT LINE OF PRODUCTION AT BENFELD-HUTTENHEIM OBSOLETE, THAT OF PRODUCING SHAVER COMPONENTS FOR SHIPMENT TO THE U.S. IN THE END, SPERRY RAND DECIDED THERE WAS NO POINT IN

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TRYING TO KEEP REDUCING PLANT COSTS AND THE NUMBER OF EMPLOYEES.)

2. MANAGEMENT AND THE REGIONAL AUTHORITIES WILL BE COORDINATING THEIR ACTION WITH THE FRENCH MINISTRY OF INDUSTRY IN ORDER TO TRY TO FIND A PURCHASER FOR THE FACTORY. IT IS OUR UNDERSTANDING THAT THE GOF DECIDED NOT TO INTERPOSE ANY OBSTACLES IN THE WAY OF THE CLOSING, BECAUSE SPERRY RAND S OTHER OPERATIONS IN FRANCE,

NOTABLY THE NEW HOLLAND AGRICULTURAL EQUIPMENT DIVISION AND UNIVAC, WERE DOING WELL. IN ADDITION, THE FIRM WILL SPREAD THE CLOSURE OUT OVER SOME 10-12 MONTHS, OFFERING GENEROUS TERMINATION PAYMENTS - AND RETRAINING BENEFITS TO THE WORKERS WHO WILL LOSE THEIR JOBS.

3. THE CGT UNION, WHICH DOMINATES IN THE PLANT, ON APRIL 10 ISSUED A STATEMENT CRITICIZING THE DEVIOUS WAYS OF THE MULTINATIONALS AND THEIR CALLOUS TREATMENT OF WORKERS AND SMALL COMMUNITIES. THEY CHARGE THAT REMINGTON WILL NOW TRANSFER THE PRODUCTION TO A CHEAP THIRD WORLD LABOR AREA. REMINGTON IS THE MAIN EMPLOYER IN THE BENFELD-HUTTENHEIM AREA. THE PRESENT PERSONNEL TOTAL IS APPROXIMATELY 390 (300 OF THEM WOMEN). A HIGH OF SOME 700 EMPLOYED WAS REACHED IN 1973 IN THE PLANT'S 20 YEAR EXISTENCE. WE ARE RELIABLY INFORMED THAT THE UNIONS AND WORKERS, KNOWING THE PLANT WAS IN TROUBLE, EXPECTED A PRECIPITATE CLOSING. THE FACT THAT OPERATIONS WILL BE WOUND DOWN SLOWLY, COUPLED WITH LIBERAL BENEFITS, SHOULD DEFUSE WHAT MIGHT HAVE BECOME A HIGHLY CHARGED CONFRONTATION.

4. THE AMERICAN MANAGER, MR. LEROY KELLOGG WILL LEAVE, AS EARLIER PLANNED, IN JULY. FROM THEN ON UNTIL FINAL CLOSURE WE EXPECT SOMEONE TO OVERSEE THE CLOSURE WILL BE SENT FROM ANOTHER SPERRY RAND DIVISION IN FRANCE, REMINGTON HEADQUARTERS IN BRIDGEPORT, OR FROM THE STILL VERY SUCCESSFUL REMINGTON SHAVER OPERATION IN THE U.K. KURZE  
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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Subject:** CLOSURE ANNOUNCED FOR SPERRY RAND REMINGTON SHAVER FACTORY NEAR STRASBOURG.  
**TAGS:** EIND, EINV, FR, SPERRY RAND REMINGTON  
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